Washington, D.C. - Mental health insurance would be treated the same as medical and surgical insurance under legislation passed by the House of Representative 268 to 148 today with Congresswoman Melissa Bean's (IL-08) support.

Bean, who helped introduce The Paul Wellstone Mental Health and Addiction Equity Act (H.R. 1424) as an original cosponsor, said the measure will end a longtime disparity in mental health coverage in employer-provided health care plans.

"Individuals who need mental health services suffer no less than those with physical ailments," Bean said. "This bill provides important coverage for mental health problems, without being unduly burdensome to the business community."

The legislation requires businesses that offer mental health and substance abuse disorder benefits to offer those benefits with the same financial and treatment provisions as the company's medical and surgical insurance benefits. The bill does not mandate businesses to provide mental health coverage.

"Mental health problems affect the people you live with and work with every day, in every community," said Bruce Anderson, President and CEO of Alexian Brothers Behavioral Health Hospital in Hoffman Estates. "For too long, the law has allowed mental health coverage to operate on a different footing from medical coverage, and most people don't discover that until they have a crisis. Creating parity for mental health benefits will save businesses money and will strengthen families and communities."

The non-partisan Congressional Budget Office estimates that the parity requirements would only increase direct health care costs by four-tenths of 1 percent. But as with other health insurance policies stressing preventative care, these costs are likely to be offset by other factors.

Depressed workers lose 5.6 hours per week of productive work time vs. 1.5 hours per week for non-depressed workers, costing employers an extra $31 billion per year, according to a 2003 study in the Journal of the American Medical Association. According to testimony before the

House Ways and Means Subcommittee on Health, every $1 invested in the treatment of alcohol addictions provides $2.60 in savings. Worker productivity increases while spending on treatment for alcohol-addiction-related health problems decreases.

“Policy that improves productivity and quality of life is good for employees and good for business,” Bean said.

This legislation does not apply to small businesses with 50 employees or fewer. It also contains a cost exemption. If the parity requirements cause a company’s health care costs to grow by more than 2 percent in the first year or more than 1 percent in additional years, the company can choose to be exempt from the parity requirements the following year.

Among the provisions of the bill:

• Equity in financial requirements. Coverage must ensure that any financial requirements applied to mental health and substance-related disorders are no more restrictive or costly than the financial requirements on comparable medical and surgical benefits that the plan covers. Financial requirements include deductibles, co-payments, coinsurance, and out-of-pocket expenses.

• Equity in treatment limits. Plans must also ensure that any treatment limitations applied to mental health and substance-related disorders are comparable to medical and surgical benefits that the plan covers. Treatment limitations include caps on the frequency or number of visits, limits on days of coverage, or other similar limits on the scope and duration of treatment.

• Equality in out-of-network coverage. If coverage offers out-of network benefits for medical and surgical benefits, then it must also offer out-of-network coverage for mental health and substance-related disorders

• Effect on State Mental Health Parity Laws. The bill would establish a federal baseline but permits states to go further. This bill would not supersede any state law that provides consumer protections, benefits, rights, or remedies stronger than those in this bill.

• Accountability. The Government Accountability Office is required to produce reports studying the impact the bill has on health care costs, quality of care, and government health care spending.

If signed into law, H.R. 1424 would take effect in a company's first health plan year that begins on or after January 1, 2009.

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